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ABSTRACT

"Options in Education" is a radio news program which focuses on issues and developments in education. This transcript contains discussions of learning how to file your income tax; the use of mini-electronic calculators by high school and college students; consumer education for children; third graders and elementary economics; and the funding of education--the federal and state roles. Participants in the program include John Merrow and Wendy Blair, moderators; Barry Mailer; reporters Karen Sughrue, David Zarnow, Mike McKesson, and Dave Miles; Doris Hadari; Goodman Ace; Timothy Little and William Joyce; George Vredeveld; Peggy Poe; Jackie Rice; Paul Saltman; Phillip Austin, of the Department of Health, Education, and Welfare; and Trevor Colburn. (JM)

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INSTITUTE FOR EDUCATIONAL LEADERSHIP
THE GEORGE WASHINGTON UNIVERSITY

TRANSCRIPT FOR PROGRAM SCHEDULED FOR BROADCAST IN

THE WEEK OF MARCH 29, 1976

National Public Radio

Options in Education

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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OPTIONS IN EDUCATION is an electronic weekly magazine devoted to coverage of news, features, policy & people in the field of education. The program is available for broadcast to the 181 member stations of National Public Radio.

The Executive Producer is John Merrow. The Producer is Midge Hart. The Associate Producer is Jo Ellyn Rackleff, and the Co-Host is Wendy Blair.

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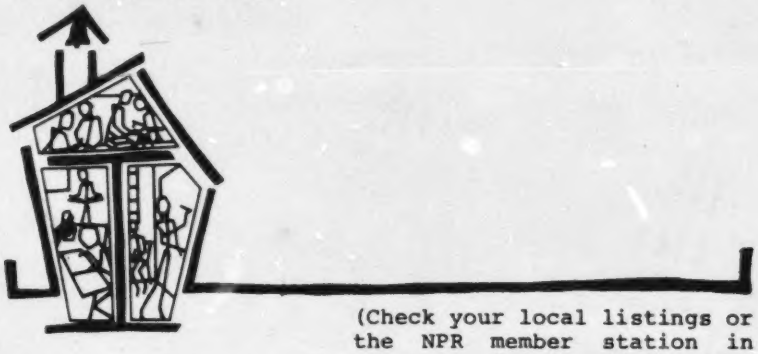

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Contact: Ms. S. Gay Kinney
Public Information
(202) 785-6462

(OPENING MUSICAL THEME)

BLAIR: I'm Wendy Blair with NPR's OPTIONS IN EDUCATION.

(MUSIC)

OPTIONS IN EDUCATION is a news magazine about all the issues and developments in education - from the ABC's of primary education to the alphabet soup of government programs. If you've ever been to school, we have something that will interest you.

(MUSIC)

On this edition of OPTIONS IN EDUCATION, some basics of economics -- like, you can't get something for nothing.

The 1975 education expenditures were approximately 3% of the Gross National Product. For the non-economist, that's essentially the goods and services that were produced by our economic structure.

And -- Let the Buyer Beware!

What happens to your whole teaching process when a young person - say, an 8-year old - decides that the contract has not been upheld by the dealer he's dealt with in a particular product - say, a candy bar? He goes back to the dealer, demands that the dealer live up to his contract, and the dealer says, "You're an 8-year old kid. I don't have to live up to anything."

And -- There's no such thing as a free lunch!

If all the crops are good, then it's good for us - but it's bad for the farmers. Because, then, they don't get as much money for it.

(MUSIC)

Good evening, and welcome to "The Money Program". Tonight, on "The Money Program", we're going to look at money - lots of it on film and in the studio. Some of it in nice piles - others in lovely, clanky bits of loose change. Some of it neatly counted into fat, little hundreds - delicate fibres stuffed into bulging wallets, nice, clean, crisp checks . . . pieces of copper coins, fastened into deep trouser pockets . . . romantic, foreign money rolling against the fire with rough familiarity . . . beautiful, wayward bank notes . . . tumbling . . . rumbling gently against the purse hugger of beautifully balanced bank books . . . Sorry, but I love money -- all money. I've always wanted money -- to handle, to touch, to smell the rain-washed foreign; the lure of the lira, the glitter and the glory of the guinea - the romance of the ruble, the fear of the franc, the leer of the deutschemark, the cold, antiseptic of the Swiss franc, and the sunburned splendor of the Australian dollar!

BLAIR: When T. S. Elliot wrote, "April is the cruelest month", he wasn't thinking about Income Tax - but we are.

("Lament for April 15th")

BLAIR: That's a madrigal's "Lament for April 15th." Even when the instructions for filing are set to music, they are hard to understand. So we thought we'd try to help. This week, learning to file your income tax. By the way, the most common error made by taxpayers is forgetting to sign the form. For those of you who want to take notes, there will be some short musical interludes.

(Continuation of "Lament for April 15th")

BLAIR: Here in Washington, Reporter Karen Sughrue.

SUGHRUE: Tests have shown you need a college degree to understand the federal tax form, but a survey done by the Internal Revenue Service shows it's wise to try to do your own return. In 1972, according to the IRS, 75 percent of the returns prepared by national tax services were wrong. For CPA's the error rate was 72 percent, and for the IRS, 79 percent.

Barry Mailer, a CPA and head of the tax division at the accounting firm of Ernst & Ernst in Washington, says Form 1040, the long form, is not as hard as it looks. With the help of a good tax manual, you can reduce your tax and save money.

MAILER: You first determine what your filing status would be and then you compute the number of exemptions you get -- the number of exemptions are for yourself, your spouse, and your dependents. After that, switch down to the income section and list all income that you have that is taxable, and any adjustments to income as you may have.

SUGHRUE: Lines 9 through 15 -- Computing Your Adjusted Gross Income. The IRS considers everything income unless specifically excluded. Social Security, unemployment benefits, workmen's compensation, welfare payments, and federal income tax refunds are not taxable.

(Continuation of "Lament for April 15th")

MAILER: The whole basic premise behind our tax system is that each taxpayer is entitled to minimize his tax. It is up to you in your filing to determine which way of filing is most advantageous to you and file accordingly. The only way that you are going to know whether you should have itemized deductions or whether you should take the percentage standard deduction is to fill out the itemized deduction schedule, which is Schedule A.

SUGHRUE: Schedule A, according to Mailer, is almost self-explanatory. Lines 1 through 10 -- Medical and Dental Expenses, including at seven cents a mile the cost of going to and from the doctor's office. Lines 11 through 17 -- Any Taxes Paid Throughout the Year -- Mailer notes that under state and local income taxes, you can deduct not only the amount withheld from your pay but also any state taxes you paid when you filed your 1974 return in early 1975.

Lines 18 through 20 -- Interest Expenses, especially mortgage interest on your home, but also interest you might have paid on purchases made with a credit card.

Lines 21 through 24 -- Charitable Contributions, including those other than cash. If you gave clothing to Goodwill and got

a receipt, you can deduct the fair market value of the clothing if you attach the receipt to your return.

Lines 25 through 29 -- Losses from Theft or Accidents, with certain limitations.

(Continuation of "Lament")

MAILER: For 1975, if a person's adjusted gross income exceeds $27,600, they will not be entitled to any child care deduction. The maximum deduction is $400 a month, and the expenses must be incurred to permit the taxpayer to work.

(Continuation of "Lament")

SUGHRUE: Lines 23 through 26 -- How Much Tax is Due? If the amount owed in taxes, Line 20, is larger than the amount of taxes you paid in, Line 22, you owe the IRS the difference. If not, you get a refund.

MAILER: Possibly the best way to do an itemized deduction schedule for the first time is to take the instructions in going through, to outline for yourself, or to list the items that are deductible. Then go through your canceled checks for the year and see how many of the items that are deductible you have canceled checks for. Then see if you have paid bills for any other items that may be eligible for the deduction. Having gathered all the information together, list it on the itemized deduction schedule.

SUGHRUE: For National Public Radio, I'm Karen Sughrue.

(Continuation of "Lament")

BIAIR: More and more people are relying on calculators to fill out their tax forms, balance their check books, and figure out unit costs at the super market. Some people, and at least two professional organizations, argue that students should be allowed to use calculators in school, because the mini-machines will be a part of our lives from now on. Others argue that calculators are short cuts which keep students from learning basic mathematics. Are calculators a crutch or an educational aid? The controversy continues. David Zarnow reports from member station WAMU in Washington, D.C.

ZARNOW: What happens when you add the log of ten to the log of seven? The answer is seventy, because that's the way a slide rule works, or used to. A slide rule, once the scientist's best friend, is being run off the marketplace, the attacker being the speedy, accurate, and compact electric calculator. At Massachusetts Institute of Technology, students say they haven't used a slide rule since high school. One student says he only uses his slide rule to find square roots, and only because his calculator doesn't have a square root.

The same seems to be true here in Washington. I asked two American University students if anyone still uses a slide rule in the class room.

STUDENT: No, no -- I used a slide rule in high school.

ZARNOW: And when did you get your first calculator?

STUDENT: As soon as I came to college.

ZARNOW: Do you find it practical to use a slide rule -- is it kind of rough to use now?

STUDENT: Yes, yes -- maybe I can't use it that well, because it took me too long to find the answers. It's a lot easier with a calculator.

ZARNOW: So it had a lot to do with the fact that you couldn't understand the processes involved, and it's a lot easier using the calculator?

STUDENT: Well, I know how to use it, but I had a lot of problems with it, because I was never sure if I got the right answer. And with the calculator, you're always sure you have the right answer.

ZARNOW: At the Harvard Cooperative Society, a large department store chain serving Harvard and MIT students, calculator sales went from practically nothing a few years ago to more than $1 million in 1975. Meanwhile, in the past six months, buyer Charles McDonald said his expensive slide rule sales have slipped to one-fifteenth of their former volume.

While the $20 and $40 rules are metal, the cheaper ones are plastic, and McDonald says they are used mainly by high school or junior high school students. But slide rules are becoming scarce, even at the secondary school level. I asked Marty Sacks, a senior at Walt Whitman High School in Bethesda, Maryland, what kind of use the so-called slip sticks are getting.

SACKS: Most of the people in my class do use calculators of one sort or another, and if they don't, they borrow from somebody else. In our school a certain member of the Student Council thought it increasingly prejudiced toward the people that don't have calculators to perform on tests very well, meaning that you spend an extraordinary amount of time just doing the physical calculations -- not just thinking about the problem, but actually sitting down and doing two times two equals four divided by such and such. He is trying to put a referendum through the Student Council to ban the use of the calculators during tests -- science tests. Actually, it would affect me somewhat, but I guess if I had to, I could go back to the slide rule. In fact, I have one. It's just that it's been sitting in my drawer, kind of collecting dust.

ZARNOW: Has this dependence on the electronic calculator weakened this generation's understanding of math? Dr. Doris E. Hadari, a professor at the American University reacted to this question, along with high schooler Sacks.

HADARI : It's just too bad that they don't know how to work these slide rules, because of falling back on the calculators. It's like what came first -- the chicken or the egg. And in this case here, I feel that since the calculator is much easier to use, they don't take the bother to find out how to use the slide rule. I think that there is a whole syndrome here. It's not only that they're not using the slide rule, but I feel that they're really losing out in understanding the mechanisms that are involved in mathematics, and that their calculator is a crutch.

There are times when students come running in here, nearly

hysterical before an exam -- and this is true -- because they feel that they left their calculator behind and they just can't do it.

SACKS: Obviously, you wouldn't want to use a calculator in math class, simply because the purpose of math is to teach you how to do those individual log functions, trig, so forth and so on. But I can see a definite time advantage as far as doing a lot of menial calculations. I'm sure most of the people in my class can do it by hand. I don't think it is a crutch, per se. I think that people could survive on their own if they have to.

ZARNOW: The calculator is here to stay, much to the liking of those who have never taken to simple arithmetic. But as for the faithful slide rule, it is quickly becoming a thing of the past. An MIT student sums it up this way. "I'd buy one for a souvenir, especially a bamboo one. I'd like to buy one to show my son how much we had to slave."

For National Public Radio, this is Dave Zarnow.

(MUSIC - MAE WEST)

BLAIR: Well, you certainly don't need a slide rule or a calculator to understand Mae West's basic figure. Those were the good old days. Here's NPR commentator Goodman Ace with another variation on the theme, "When I was your age, I <u>really</u> had it rough."

ACE: If you permit your school child to use the hand calculator to solve his arithmetic problems, are you taking a calculated risk that he may never learn pencil and paper computation? Well, the National Council of Teachers of Mathematics has announced -- "It's okay to let the kid use the hand calculator." Now they tell me.

Where were they when I was eight years old in Mrs. Fisher's math class in Washington School in Kansas City, Missouri? I can still remember, with some trauma, the numbers I had to multiply on the blackboard in front of the whole class -- 145 times 251. The answer I got to that math problem did not please Mrs. Fisher. She showed me where I had made a mistake, and the answer should have been two points higher. I can still hear myself saying to her, "Only two points -- that ain't bad." She corrected me. "You mean that isn't bad," she said. And I said, "What class is this -- arithmetic or English?" And Mrs. Fisher said, "Bring your mother when you come to school tomorrow."

A hand calculator would have saved me not only then, but even today. The impact of that meeting still lays heavily on me. I tried multiplying those numbers this morning and was off 78 points.

It must be added that the National Council of Mathematics has not approved the use of hand calculators until the child is in the eighth grade. It is calculated that the hand calculator will help them in their homework, when they have to add or subtract or multiply. Oh but, in these free-wheeling days, there are some kids who learn all about multiplying long before they get to the eighth grade, but that's another story.

I know a housewife who bought herself a hand calculator, and she told me she hasn't been able to master it. She said she takes it to the super market, then uses it at the check-out counter.

But the cashier goes so fast on the register, she can't quite follow it. So, she punches in plain view of the girl all the buttons, who realizes, or thinks she's being checked. My housewife friend punches any numbers and has a good result on her food bill. She estimates that the bills are now about ten percent less than when she didn't have the hand calculator.

Nevertheless, as I went to higher classes in school, I got better in arithmetic -- fairly good in algebra -- but when I got to calculus, they lost me. However, somewhere along the way I stumbled across an easy way to multiply two numbers ending in five. Take 25 times 25. In your mind, you multiply the five by itself -- five times five is 25. Then multiply the 2 by the next highest number, which is 3. Two times three is six. The answer is 625.

I'll do that again. Take 65 times 65. Five times five is 25. Six times the next highest number, which is 7, and you get 42. The answer is 65 times 65 is 4,225. Try it. If anyone knows why this works, don't bother to tell me.

BLAIR: NPR commentator, Goodman Ace.

Actually, the National Council of Teachers of Mathematics urges that hand calculators be used only to reinforce and to motivate and as a valuable instructional aid. Another group, the Conference Board of the Mathematical Sciences, takes the stronger position that every student beyond the eighth grade have a hand calculator available for use in instruction and in testing. But, in a number of states, there is legislation pending to ban the calculator.

(MUSIC TO CASH REGISTER)

BLAIR: That's no mini-calculator -- that's the sound of a good old-fashioned cash register. And, speaking of the good old days, when you were a child, say eight or ten years old, how much thought did you devote to deciding how to control your limited income -- your fifteen or twenty cents a week? Did you look at factors like cost, durability or usefulness? Probably not. Well, if you had, you might be a better consumer now. Two education teachers at Michigan State University are trying to give today's students the advantages you didn't have. Timothy Little and William Joyce teach social studies instructors to teach their students to be wise consumers -- something that can begin as early as kindergarten. Reporter Mike McKesson of member station WKAR in East Lansing talked with Little about his methods.

LITTLE: Well, one of the things we did was we spent some time finding out what kinds of buying decisions kids have power over -- you know, where do the kids make those kinds of decisions? Well, one of the most obvious ones and commonest ones happens every time a super market basket goes around the aisle into breakfast foods. That's kind of the cornucopia of the Saturday morning set. And we spent a lot of time on that, because it's got an awful lot of advertising hoopla associated with that product. The kids very often exercise the decision-making power over that. So we spent some on time on that.

We spent a lot of time on toys. We also spent some time on sports equipment that kids are usually in control of purchasing -- bicycles, for example, is a classic. All the elements of the drama

are there -- the peer pressure to get a certain kind of bicycle -- the advertising media working over what's in ard what's out -- the fact that they tend to be relatively expensive and, therefore, a good bit of thought ought to go into the purchasing decision. So, that's been a natural for us — toys, breakfast food, and sports equipment with kids.

McKESSON: Is this something on which you have to take each particular product and, more or less, go through an organized process in describing what you look for -- teaching a child what he's looking for in making a purchase decision? Or is it something that you can generalize with?

LITTLE: We've got kind of a generalized scheme-up which we apply across-the-board, and we tailor the instance, or the specific example, to the age level of the kid. But the general plan goes something like this -- there are three basic things we want to teach them about.

Number one -- how do you become aware of a product? What are the mechanisms by which you decide that you need something? Do you wake up some morning and the good fairy has touched you on the forehead, and you have this insatiable urge to buy something, or did you hear about it from a friend? Does it come out of just a genuine need or does it develop as you go through your daily existence? How do you decide you want something? We try to get them to ponder that, about the major purchases that they exercise control over. That's step 1. We want to think about that, regardless of the particular product.

The second thing we ask them to look at is the business of selection. How do you choose? Do you consider things like style, fashion, price, durability? Do you consider all of those, or none of those? Get them introspecting a little bit about how they choose. And all we ask when they finish is that they be aware of the different kinds of categories that they can consider when they're choosing.

One of the more interesting things that came out of this was we were running this out at a school in Lansing here. And we did a little experiment with kids to find out what they considered, and we asked them to rank order, or to vote. We had a little bulletin board thing, and they voted by putting their button next to a certain category. We asked them to let us know how important these different criteria were -- style, durability, cost, fashion, and so on. Price and durability didn't get any votes at all from the kids the first time through. And when we finished the unit, we did it again, and this time those two categories were considered.

Now, a cynic would say that's simply because they found out what we expected for answers. But we tried to stay away from that, in terms of saying you will consider all this stuff. We just want them to be aware of all those considerations, and we'd like to put the benign interpretation on it and say that they did become aware of some other characteristics you should consider in choosing. So, a big category is selecting -- how do you choose among products, once you decide you want it.

The third thing is dealing with the dealer. And for my money, there's been less attention paid to this when it comes to educating kids than almost the other categories put together. You know, what's

the nature of the contract between a seller and a buyer. Pretty commonly if a person goes in to buy a candy bar, and it's bad, very often they won't do anything about. They'll just go down and buy another one. They don't understand that a contract has been broken. Now, it's unwritten, but it's implicit. And the contract is -- I give you money and you give me something in return. If that something doesn't live up to the contract, namely, it's inedible, the contract has been broken. Kids don't know that. They really feel that they're at the mercy of the seller, so we spent a good deal of time on that -- how do you deal with the dealer.

On the flip side of the same coin is -- let's talk about fairness to the dealer also. And that gets us into shoplifting. That gets us into the whole notion that there's a kind of an ongoing contract between sellers and buyers in the society we've got, and that unless both sides reciprocate fairly, things are going to go wrong. And somebody's going to be unhappy, and there are going to be problems. We've spent some time on both sides of the coin -- how to get a fair deal out of the dealer and how to shop for a dealer, and at the same time, what some of the obligations are toward the dealer.

McKESSON: What happens to your whole teaching process when a young person -- let's say an eight-year-old -- decides that the contract has not been upheld by the dealer he's dealt with in a particular product, say a candy bar -- he goes back to the dealer and demands that the dealer lives up to his contract -- and the dealer says, "You're an eight-year-old kid -- I don't have to live up to anything."

LITTLE: "Go away kid, don't bother me." Well, that's one of the things that we bear down on. We talk about what are the options if somebody reneges, what are the sanctions or options for the dissatisfied person? There are a host of them. For example, the one that ought to get more attention -- the Michigan Consumers Council.

It's not unheard of that an irate kid who learned to be a reasonably shrewd consumer who gets this "you're only a kid" brushoff, either gets his parent to do it, or indeed, tromps on the phone himself and makes a complaint. And the Michigan Consumers Council can bring moral pressure, anyway, to bear on the dealer. Much more commonly, I think the kid rounds up his parents and knows what's happened and takes the parents down and "chats" with the dealer.

So, we talk about options. Now, with older kids, when we talk about middle school and above, then we start formally talking about institutions that are out there to help you, to take more formal actions, like the Attorney General's office. There's a wicked little pamphlet called, "How to Sue in Small Claims Court" that the Michigan Consumers Council puts out, and by Job, if there's really a major affair, and there's been dirty work at the crossroads, we introduce the students to the options that John Q. Citizen has got, beyond stomping his feet and making a general scene down at the seller's place of business.

McKESSON: How much education of this type is going on in class rooms today?

LITTLE: Well, that's like throwing a whole non-hitter and a nice slow one right down the middle -- not nearly enough. I think one of the things that's been intriguing in the consumer area is the notion that there's been a tremendous ground swell of interest in

the whole consumerism thing. There are a number of reasons for that -- everything from hard times to Ralph Nader's personal effect, and so on.

The traditional province of this kind of education has been home economics in the schools. That's fine. I'm all for that. I would go beyond that, though, and say that a lot of the kinds of things we're interested in, for example, social policy and small claims court operation, fall in the province of the social studies typically. If you want to call it educating for its citizenship role, you could, or the consumer role. A lot of this kind of thing, I think, belongs in the social studies, because we're not talking too much about micro-consumerism -- looking at a particular label and so on -- we're looking more at the social implications for society of operating different ways in the marketplace. So, I think I'd like to see social studies pick up on it in a big way. It intrigues me that the new wave of social studies material that's coming out incorporates consumer education materials.

In other words, the wave is there -- there's a little time lag from when the theoreticians say, "Hey, we ought to be doing this" until the books get out in the hands of the teachers, but I think the wave is clearly there -- the textbook publishers, among others, are jumping on the bandwagon, producing consumer-oriented materials.

So, the answer is -- the material is coming, and we've got to get the teachers trained in how to use it when it arrives.

BLAIR: Timothy Little on teaching school children to be good consumers. He talked with Mike McKesson of member station WKAR in East Lansing, Michigan.

(MUSIC)

CHILD: "When we go to the store and we ask for some candy, the sugar price has gone up so much that it will cost a lot."

CHILD: "At a lot of mines, some people hold them back from digging diamonds, and then that makes them scarce. If they dug for diamonds instead of holding back, then they wouldn't be no value."

CHILD: "If all the crops are good, then it's good for us, but it's bad for the farmers, because then they don't get as much money for it."

BLAIR: These third-graders are learning more than consumerism -- they're talking about elementary economics. Their teachers received special training in the subject in another new program established by Dr. George Vredeveld, a Professor of Economics at the University of Missouri in Columbia. He set up the program so children could better understand how changes in the economy will affect their lives. He explained his technique to David Miles of member station KBIA in Columbia.

VREDEVELD: If mommy or daddy were to lose their jobs -- why did they lose these jobs? Why suddenly do we have to curtail all of our activities? Why can't we go to the movies or why can't I have this new toy, or something like that? Well, because mommy or daddy lost their job. Now, why did they lose the job? Well, that

they have to blame, I feel, to mommy or daddy, because it happened to them. They have a very limited frame of reference.

MILES: Dr. Vredeveld says that limited frame of reference needs to be enlarged. He says children need to be taught that the market system is impersonal and that their parents are not to blame when children can't get everything they want. To the Missouri Council on Economic Education Dr. Vredeveld teaches these ideas to elementary school teachers, who in turn teach their students. Mrs. Peggy Poe, a third-grade teacher from Russell Elementary School in Columbia, Missouri, was a student in Dr. Vredeveld's workshop.

POE: The thing that aided me the most was just learning about economics, because even though I read the newspaper and I read about inflation and I read about some of the economic principles that affect our daily lives, I really did not understand them, so that just by getting these things clearly down in my mind, I was able to get them across to the children. But the principles are what I lacked, and this is what I got out of this course.

MILES: Mrs. Poe works with Mrs. Jackie Rice, who says her third-grade students are taught to use what scarce resources the school has.

RICE: Columbia this year is on an austerity budget, and we have so much paper allotted to us. Now, the kids love to draw, and they always say, "Could you let us have a piece of big manila paper?" So we talked about this one day, and I showed them how much paper we had for the year, and do you get this much pleasure out of using it all before January, or can you think of some things later in the year that you might want to use it for?

MILES: Mrs. Rice said that discussion led the children to a discussion about where money comes from, and how the childrens' parents were paying for the desks, school supplies, and Mrs. Rice's salary.

Dr. Vredeveld says children who understand the cost and benefits of scarce resources will make responsible decisions as adults.

For National Public Radio, this is Dave Miles in Columbia, Missouri.

(MUSIC - FROM FIDDLER ON THE ROOF)

BLAIR: We've heard a lot of light, funny and interesting things about economics. But economics -- the realities of state and federal budgets -- are serious matters for anyone interested in education. Scarce resources like the shortage of drawing paper in school may be new to some children, but it is a familiar problem to teachers. They know where the money for education comes from, where it does not come from, and how thin it is spread. The federal education expenditure dropped from four percent of the gross national product in 1972 to three percent in 1975. This dwindling percentage of the federal pie is accompanied by soaring education costs. The clear message from the U.S. Department of Health, Education and Welfare is that state and local governments will have to pick up the slack. HEW Deputy Assistant Secretary Phillip Austin talked about financing higher education at a recent gathering of college administrators and college students in San Diego.

AUSTIN: We have to come to live with the fact that probably this three or four percent -- I hope that this is not going to continue and five years from now be two percent of gross national product -- but we should be aware of the fact that it's not very likely going to move from three percent to ten percent of gross national product in the next few years either. And as a consequence, we're going to have to learn how to leverage these dollars, if you will, how to get more bang for the buck.

I'd like to develop kind of the philosophical underpangs of federal support for higher education. We believe that the principal responsiblity for creating and maintaining a system of public education in this country is primarily the responsiblity of the states. It has been by tradition, and I'm comfortable with that as a personal philosophy.

But there are certain limited areas that are very important that we think the federal government has, if not the exclusive responsibility, at least the principal responsibility. One of them is to support innovation and demonstration activities, as well as supporting research and development structure. We believe that there are economies of scale in research and development and that one state or one institution cannot be called upon to support particularly basic research, but even applied research. And as a consequence, the federal government should support these activities that have potentially serendipitous and spill-over effects. And once the results of the research have been written up and captured, we ought to take the next step and support, well, dissemination activities of all types, but principally, demonstration pilot projects where those who do have responsibility for deciding how educational services will be delivered, whether it's the states, whether it's a private college administrator, or it's a local education agency on the elementary and secondary level. They can observe the date -- they can observe the demonstration project and make a decision on whether that is or is not the way to go.

Within the Education Division of HEW in the past couple of years, the support for post-secondary has been turned to almost exclusively student assistance, primarily the basic grant program, the guaranteed loan program, the college work-study program, and the state incentive grant program - the four, kind of basic, programmatic activities that keep us going.

We think the two basic goals of those four programs ought to be the equalization of educational opportunity -- that no citizen ought to be precluded from continuing his or her education beyond the high school level, if the desire and ability are there, for want of financial wherewithal.

And the second one is sustaining educational diversity of institutions in programs, that is, that we think the strength of the American education system is the pluralism that's available, both with respect to institutions and with respect to types of programs. And we think that the federal government has a responsibility for insuring that that kind of healthy diversity continues to exist.

As I said at the outset, the states still bear the primary responsibility for supporting public education. We think the family of the individual, whether it's an adult or more typically, at least historically, youngsters, is responsible for providing support

insofar as possible. And in calculating our federal share, we continue to rely on philanthropic activities. And then, finally, we think students can be expected to earn the money during the off-term, during the summer. And I was astounded to learn from our estimates that a year ago, this past summer, that student earnings were estimated to be in excess of $5 billion.

This is kind of the message that we think for a flexible federal approach, for a situation in which dollars are not going to increase -- at least, I cannot imagine a political scenario in which anybody who is sitting at HEW, even if he or she is an education advocate, as most of us are — there is just not a realistic scenario that can be predicted right now in which there are going to be many many more dollars to work with. And so one attempts to cause as little disruption to the system as possible, leave as much discretion in decision-making authority up to the institution as is possible and assist as many students as is possible. And many times those three goals are not only mutually exclusive -- they're contradictory, and I hope that we'll get some difficult questions and observations from our colleagues.

BLAIR: HEW Deputy Assistant Secretary Phillip Austin's message is: "Don't expect an increase in higher education dollars from Uncle Sam," a message that didn't sit well with Paul Saltman, Vice Chancellor for Academic Affairs at the University of California at San Diego.

SALTMAN: I'm experiencing a curious phenomenon of late with respect to so much of this, Phil, because as our governor munches his bean sprouts and swills his yogurt and drives his 1972 Plymouth and tells us that less is more, I am confronted at the same time with federal policies which are designed uniquely to do everything, I think, to almost defy the basic concepts that you articulated. It's curious to me at this stage of our nation's development to think of the way the federal government views education.

We're one of, if not the only, "great nation" that doesn't really have a national educational policy. That is, there's a Minister of Education in France and in Denmark where I've studied. I think there's one in England, and I think even the Soviets and Chairman Mao's got one. Everybody's got one, but we. Now, in a way, you could say, "Isn't that nice." Yes, to some extent, that is nice, but to some extent, that is not nice.

What I'm saying is that we are a nation, and educational policy is fundamentally allied with the whole problem of human resources in this society, and I think that the federal government ought to be more sensitive and aware of that -- and that the "E" in HEW ought to receive far greater manifest destiny than it is now accorded for that very reason.

That is, the states and the federal government are playing ping pong with higher education in the sense of saying, "Well, money is short -- times are tough and go see your state." And the state says, "Gee, times are tough -- how come the feds don't give you more?" And, meanwhile, the feds are saying, "And you're getting too much on overhead." And then the state says, "You shouldn't get any overhead, anyhow -- we should be getting the overhead. We paid for it in the first place." And the net result in between is a strange and paradoxical role that I find increasingly difficult to live with.

Now, let me then, just make one other comment and close at this stage. And that is to brood aloud at this moment and time about what strategies the institutions in higher education might take in these five years or so that lie in the immediate future. And to borrow from some of my student-colleagues, maybe it's time to take to the streets. And the way we're going to take to the streets is a funny way. I think we're going to take to the streets by not letting students into universities, that we will proclaim that the first and second laws of thermodynamics are everywhere operative -- we cannot do more for less -- that if you want to do excellent education, that you are having to put in enormous amounts of free energy, read dollars into the system to make it function, and, therefore, since we cannot possibly do justice to the very principles that you stand for -- that is, educational pluralism and excellence in that pluralistic endeavor -- then, indeed, the students cannot be let in under the false premise that there is an educational environment that there awaits them. I think the consequences of that are going to be enormous.

BLAIR: Paul Saltman, Vice Chancellor for Academic Affairs at the University of California at San Diego. His feelings were echoed by Trevor Colbourn, Vice President for Academic Affairs at San Diego State.

COLBOURN: Perhaps it's a little unfair that it's two to one to start with.

SALTMAN: Don't forget, he's got the feds on his side. They got all the money.

COLBOURN: I know, but they're not in this room right now. It's unfair to Phil, of course. The first time I met him he was in a situation only slightly different from this one. Last October, he was sitting in on a dinner meeting of the American Association of Urban Universities, along with his good friend and colleague, Virginia Carter, and in the interesting company of such people as John Silver from Boston University and Eliot from GW, just to name a few.

Both Virginia and Phil were given both barrels, I would say, regarding the inequities of HEW, the idiocies, and manifest sins of HEW, the crimes that HEW is committing against the universities -- public and private -- in the United States. And Phil's purpose, of course, at that time and this time was primarily to report and inform. And, instead, he's greeted, of course, by a barely polite avalanche of criticism on, I guess, many occasions.

And he might sometimes come away with the impression that HEW is not universally applauded, loved and adored. And if he does, he is, of course, completely correct. HEW is indeed a source of exasperation to many of us. Whether this has to be is, I think, a fair question, but certainly I join those who wail and lament the signal absence in any sense the imaginative leadership that ought and could, it seems to me, speak for -- I hate to use a platitudinous phrase -- a genuine concern for educational excellence and quality.

We're talking so constantly about restrictions, about regulations, about strings that should be tied to everything that is considered, that we seem to too often forget what we're all here for, or should be, and that is to advance the cause of higher education,

to serve the students that are basically our constituents. I had a little problem, for example, with Paul's pardonable, but exasperated suggestion that maybe one answer will be that we'll suddenly say to students -- you can't come. I think that speaks to a perhaps unconscious arrogance of which we'd soon be reminded, though I well understand and appreciate the sentiments that lead to such a suggestion. And the temptation periodically, I'm sure, must be strong to many.

The fact of the matter is we're not getting the kind of constructive assistance that I think many of us feel we're entitled to. We certainly see that, indeed, the educational pie is fiscally relatively unchanged in terms of size, if not diminishing. Many of us are convinved we're not getting the slices to which we're entitled and which we should know. And many of us, I suspect, are terribly right.

I do feel myself that we have moved backwards in many ways in the last decade, and I'm not just talking in financial terms. I'm thinking in terms of priorities and in terms of imagination. I have absolutely no problem with the notion that we should be doing more as a nation to provide educational opportunity. God knows, this is an incredibly belated effort. It's a national disgrace and standing reproach that it is so belated. But I can't help but feel that it does not have to occur in the context of an apparent assumption that, while at the same time we are pursuing a request for greater and fairer educational opportunity, we must resign ourselves to diminishing opportunity for quality.

I think it speaks to the larger issue, namely, the overwhelming absorption with restrictions, with controls. There's a sort of operative assumption -- everyone's a crook -- everyone's a criminal. Maybe after Watergate, that's an assumption that many people can recognize and feel has some justification. But I suspect we may have taken it somewhat far today. I suspect we might be giving more time -- a lot more time -- to our basic purposes and a little less time to suspicion, doubt, and supervision. I'll stop there -- thank you.

BLAIR: Trevor Colbourn, Vice President for Academic Affairs at San Diego State. Here's Phillip Austin's rebuttal.

AUSTIN: Well, I would like to say 'Amen' to both of you. There are a few specifics that I can take exception with, I think. The notion of developing a national educational policy, Paul, is when one looks around and sees all the diversity and the inherent inefficiencies. It's an attactive notion, but the potential costs of ministries of education are with strong central control and direction, which are the inevitable result of bureaucracy.

Maybe there are a few bureaucracies that aren't ever hungry for power, but I haven't seen too many. The notion scares me. Tom mentioned I'd been to Bucharest some time ago, and on the way over, I stopped in two or three countries with very centrally controlled educational systems and got to Rumania, which is among the worst, I think. They take excessive pride, in fact, that someone sitting in Bucharest knows what a kid at 10 o'clock in the morning is studying west of the Carpathians, and every other kid in the country. Well, that's an over statement, and I can be accused of melodrama for using that as an example, but I think even going half

way to that is something that ought not be terribly desired and that developing a national educational plan, again while I don't like the existing inefficiency, I'm not sure I agree with you totally.

On the other hand, Trevor calls for more imaginative leadership. I like that too. I wonder at what point one gets it, however. In the absence of a plan like Paul describes, how does one exert imaginative leadership if again we're assuming, which none of us obviously likes, constant dollars in which, at least at the federal level, your influence is miniscule, and that miniscule influence is desired.

COLBOURN: I guess I'd like just to say that I'm not sure that one leads to the other and as inexorably as you seem to suggest, Phil. I think the educational sector has been extraordinarily complacent--no, that's being too generous to it -- in accepting as you've reported a smaller and smaller portion of the national product. I find this very difficult to justify and explain and accept in the context of the increasing ambition and the catch-up efforts that everyone recognizes have to be undertaken, and are being undertaken. And are being undertaken as a consequence with a very high price tag.

I realize it's almost ritualistic to talk about investing in future generations, but damn it, that's what we're talking about. And we're doing a pretty lousy job of it at this point, it seems to me, especially when we keep trying to short-change future generations as drastically it seems to be the case at present.

I guess when I talk about imaginative leadership I agree it ought to be pluralistic. It ought to occur on the campuses in the states, as well as in Washington, but I would particularly like to see it in Washington, where I think we have a large claim to look for it, and the right to expect it, and to rarely seem to discover it. And I certainly haven't seen it in the last two secretaries of HEW, the former being, I think, a reasonably effective and efficient administrator, though not too sensitive to educational needs. And I'm not prepared to comment publicly on his successor at this point.

Now this is where I think we have the right to look for more, and I hope eventually somehow we will find it. I think it's too important to go by default, and that's what's happening.

SALTMAN: I have no great take-home lesson for anyone. It's senseless to flog Phil, although maybe he was sent out here for that purpose. I know I play that role on our campus. I figure maybe you play that role on the national scene. Good luck, and there are some very good anesthetics you can use to kill the pain.

However, Trevor said something which rang a bell, and it's a bell that I think ought to be rung more often and more loudly and clearly in this our two hundredth anniversary. There has been, I think, a great deal of confusion abroad in the land in many many segments of our society, trying to equate management administration and leadership. We tend to use those words as if they were equivalent in their meaning.

The net result of this, as the second law will show, is that everyone has become a manager. Occasionally, someone arises to

greatness and administrates - but, all too seldom, are there any leaders. I think this is even more true in education than in any other segment of our society.

BLAIR: Paul Saltman, Vice Chancellor for Academic Affairs at the University of California at San Diego, and Trevor Colbourn, Vice President for Academic Affairs at San Diego State, exchanging views on the Federal Higher Education Budget with HEW Deputy Assisant Secretary Phillip Austin.

In his opening remarks, Austin said HEW believes most Federal money should go directly to college students in the forms of loans, grants, or scholarships. Students would then choose which college to invest their money in. However, private colleges and universities charge more than state institutions. For example, if Federal aid is $1,000 and it costs $1,500 to go to a state university, and $4,000 to go to a private college, then most students may choose the cheaper public university.

Colleges and universities - both public and private - prefer to recieve Federal money directly, and parcel it out to the students. But that debate aise, the United States spends more public money -- that is, Federal, state and local dollars - on higher education than every other country in the world except the Netherlands. And a recent public opinion poll indicates that almost half of the American people feel that we don't spend enough on education. 35% feel that we spend about the right amount - while only 11% say that we are spending too much.

That survey was done by the National Opinion Research Center in 1975. All of this leads to continuing debates and maneuvering here in Washington.

(MUSIC - "There Is Nothing Quite As Wonderful As Money")

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(MUSIC)

This program is produced by Midge Hart. The Executive Producer of OPTIONS IN EDUCATION is John Merrow. I'm Wendy Blair.

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